

III. REMARKS

Claims 1-20 are pending in this application. Applicants do not acquiesce in the correctness of the rejections and reserve the right to present specific arguments regarding any rejected claims not specifically addressed. Further, Applicants reserve the right to pursue the full scope of the subject matter of the original claims in a subsequent patent application that claims priority to the instant application. Reconsideration in view of the following remarks is respectfully requested.

In the Office Action, claims 1-20 continue to be rejected under 35 U.S.C. §102(b) as allegedly being anticipated by Kurihara et al. (U.S. Pub. 2003/0171963), hereinafter “Kurihara”. Applicants respectfully traverse this rejection for the reasons stated below.

Specifically, with respect to independent claims 1, 12 and 16, Kurihara does not disclose, *inter alia*, “determining an excess inventory with consideration of a manufacturing limitation and an excess inventory without consideration of the manufacturing limitation for each analysis point[.]” (Claim 1, similarly in claims 12 and 16). The Office in dismissing this argument contends that Kurihara discloses a product production instruction information storage means [which] computes the amount which must be produced within a production plan period. The difference between the product amount acquisition of which is desired within the production plan period and the predicted product inventory amount at the time of the desired delivery less the product inventory target value to accommodate demand fluctuations, which may occur within the production plan period where the demand fluctuations *which the Examiner is construing to be manufacturing limitation* (emphasis added by Applicant), will compute an excess inventory when the predictions are lower than target inventory amounts. Applicants assert that demand fluctuations are not manufacturing limitations. A manufacturing limitation as explained in the

specification is any limitation that delays the manufacturing of an inventory, e.g., governmental restraint or manufacturing capacity [Para 43]. Product demand fluctuation defined in Kurihara are changes in demand predictions including rising or falling changes over an extended period, cyclical fluctuations over a period of from 3 to 15 years, periodic fluctuations of which seasonal fluctuations are representative and other irregular fluctuations [0133]. Manufacturing limitations and demand fluctuations define different elements and are not interchangeable items. Thus, the Examiner has failed to show that Kurihara discloses every element of Applicants claimed invention.

In addition, Kurihara does not disclose, *inter alia*, “determining a trapped inventory based on a difference between the excess inventory with consideration of the manufacturing limitation and the excess inventory without consideration of the manufacturing limitation[.]” (Claim 1, similarly in claims 12 and 16). Step S13 of Kurihara discloses determining a target value of product inventory but the target value is based on the manufacturing planning and the delivery planning process. (See FIG. 3, S7 and S8.) That is, Kurihara does not determine a trapped inventory based on a difference between the excess inventory with consideration of the manufacturing limitation and the excess inventory without consideration of the manufacturing limitation, as Kurihara always considers the manufacturing planning. The Office points to page 7, paragraph [0090] of the instant invention and states that trapped inventory is an amount that is delayed in manufacturing due to manufacturing limitations. The Office then cites Step S13 of Kurihara which computes product inventory targets by subtracting the product inventory target value to accommodate demand fluctuations. Again, the Office conflates demand fluctuations with

manufacturing limitations. This interpretation ignores the definition of demand fluctuation and manufacturing limitation as explained above.

In view of the foregoing, Kurihara does not anticipate the claimed subject matter. The dependent claims are believed allowable for the same reasons stated above, as well as for their own additional features. Accordingly, Applicants respectfully request withdrawal of the rejection.

In light of the above, Applicants respectfully submit that all claims are in condition for allowance. Should the Examiner require anything further to place the application in better condition for allowance, the Examiner is invited to contact Applicants' undersigned representative at the number listed below.

Respectfully submitted,

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Date: August 19, 2008
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